

Consolidated Financial Results for the Fiscal Year Ended March 31, 2017 <under IFRS>

Company name: **Yutaka Giken Co., Ltd.**
 Listing: Tokyo Stock Exchange
 Securities code: 7229
 URL: <https://www.yutakagiken.co.jp/en/index.html>
 Representative: Minoru Okamoto, President & Representative Director
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Scheduled date for holding annual general meeting of shareholders: June 23, 2017
 Scheduled date to commence dividend payments: June 26, 2017
 Scheduled date to file annual securities report: June 23, 2017
 Preparation of supplementary results briefing material on consolidated financial results: Yes
 Holding of consolidated financial results presentation meeting: Yes

(Millions of yen with fractional amounts rounded, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit for the period		Profit attributable to owners of parent		Total comprehensive income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2017	157,176	(4.9)	12,096	(17.4)	11,336	(15.7)	7,195	(17.6)	5,455	(24.2)	6,945	181.8
March 31, 2016	165,315	14.0	14,637	27.4	13,451	12.4	8,731	(1.7)	7,194	(4.1)	2,465	(83.1)

	Basic earnings per share	Diluted earnings per share	Ratio of profit to equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2017	368.09	—	7.6	7.5	7.7
March 31, 2016	485.47	—	10.4	9.2	8.9

Reference: Share of profit (loss) of investments accounted for using equity method

For the fiscal year ended March 31, 2017: — million yen

For the fiscal year ended March 31, 2016: — million yen

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2017	154,906	84,828	73,850	47.7	4,983.66
March 31, 2016	145,905	80,217	69,689	47.8	4,702.81

(3) Consolidated cash flows

	Net cash flows from (used in) operating activities	Net cash flows from (used in) investing activities	Net cash flows from (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2017	16,809	(10,884)	(824)	25,849
March 31, 2016	21,488	(13,374)	(2,978)	21,342

2. Cash dividends

	Annual cash dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First quarter- end	Second quarter- end	Third quarter- end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2016	–	22.00	–	28.00	50.00	741	10.3	1.1
March 31, 2017	–	30.00	–	30.00	60.00	889	16.3	1.2
Fiscal year ending March 31, 2018 (Forecast)	–	31.00	–	31.00	62.00		15.3	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit for the period		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Six months ending September 30, 2017	79,000	7.5	4,400	(22.4)	4,700	6.1	3,300	8.2	2,400	1.6	161.96
Fiscal year ending March 31, 2018	162,000	3.1	11,700	(3.3)	12,000	5.9	7,800	8.4	6,000	10.0	404.90

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: None

Excluded: None

- (2) Changes in accounting policies and changes in accounting estimates

a. Changes in accounting policies required by IFRS: None

b. Changes in accounting policies other than the above: None

c. Changes in accounting estimates: None

- (3) Number of issued shares (ordinary shares)

- a. Total number of issued shares at end of period (including treasury shares)

As of March 31, 2017	14,820,000 shares
As of March 31, 2016	14,820,000 shares

- b. Number of treasury shares at end of period

As of March 31, 2017	1,479 shares
As of March 31, 2016	1,401 shares

- c. Average number of outstanding shares during the period

Fiscal year ended March 31, 2017	14,818,577 shares
Fiscal year ended March 31, 2016	14,818,667 shares

* Financial results reports are not required to be audited.

* Proper use of earnings forecasts, and other special notes

The forward-looking statements including earnings forecasts contained in these materials are based on information currently available to the Company and certain assumptions deemed reasonable by the Company, and are not intended as the Company's commitment to achieve such forecasts. Actual business and other results may differ significantly from these forecasts due to a wide range of factors.

Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents	23,716	28,136
Trade and other receivables	32,354	33,890
Inventories	22,317	23,075
Other current assets	1,785	2,033
Subtotal	80,172	87,134
Assets held for sale	320	327
Total current assets	80,492	87,461
Non-current assets		
Property, plant and equipment	60,011	61,846
Intangible assets	1,459	1,164
Net defined benefit asset	–	729
Other non-current assets	1,401	927
Deferred tax assets	2,542	2,777
Total non-current assets	65,413	67,444
Total assets	145,905	154,906
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	35,830	38,171
Borrowings	13,826	18,136
Income taxes payable	909	1,847
Other current liabilities	2,623	2,659
Total current liabilities	53,189	60,813
Non-current liabilities		
Borrowings	7,490	4,058
Net defined benefit liability	3,034	2,649
Deferred tax liabilities	1,189	1,711
Other non-current liabilities	787	846
Total non-current liabilities	12,500	9,264
Total liabilities	65,689	70,077
Equity		
Issued capital	1,754	1,754
Capital surplus	566	486
Retained earnings	65,380	70,891
Treasury shares	(2)	(2)
Other components of equity	1,991	721
Total equity attributable to owners of parent	69,689	73,850
Non-controlling interests	10,527	10,978
Total equity	80,217	84,828
Total liabilities and equity	145,905	154,906

(2) Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Revenue	165,315	157,176
Cost of sales	134,884	128,863
Gross profit	30,431	28,312
Selling, general and administrative expenses	15,753	16,301
Other income	296	415
Other expense	336	330
Operating profit	14,637	12,096
Finance income	226	320
Finance costs	1,413	1,081
Profit before tax	13,451	11,336
Income tax expense	4,720	4,141
Profit for the period	8,731	7,195
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of net defined benefit liability (asset)	(353)	935
Net change in financial assets at fair value through other comprehensive income	(5)	5
Total items that will not be reclassified to profit or loss	(359)	940
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(5,908)	(1,189)
Total items that may be reclassified to profit or loss	(5,908)	(1,189)
Total other comprehensive income, net of tax	(6,266)	(249)
Comprehensive income for the period	2,465	6,945
Profit attributable to:		
Owners of parent	7,194	5,455
Non-controlling interests	1,537	1,740
Profit for the period	8,731	7,195
Comprehensive income attributable to:		
Owners of parent	1,646	5,102
Non-controlling interests	819	1,844
Comprehensive income	2,465	6,945
Earnings per share (attributable to owners of parent)		
Basic earnings per share (Yen)	485.47	368.09

(3) Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of parent					
	Issued capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of net defined benefit liability (asset)	Net change in financial assets at fair value through other comprehensive income
Balance as of April 1, 2015	1,754	566	59,168	(2)	–	15
Profit for the period	–	–	7,194	–	–	–
Other comprehensive income	–	–	–	–	(360)	(3)
Comprehensive income for the period	–	–	7,194	–	(360)	(3)
Purchase and sales of treasury shares	–	–	–	(0)	–	–
Dividends paid	–	–	(622)	–	–	–
Transfer from other components of equity to retained earnings	–	–	(360)	–	360	–
Total transactions with owners	–	–	(982)	(0)	360	–
Balance as of March 31, 2016	1,754	566	65,380	(2)	–	12

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		Total equity attributable to owners of parent		
	Exchange differences on translation of foreign operations	Total other components of equity			
Balance as of April 1, 2015	7,164	7,179	68,665	10,665	79,331
Profit for the period	–	–	7,194	1,537	8,731
Other comprehensive income	(5,185)	(5,548)	(5,548)	(718)	(6,266)
Comprehensive income for the period	(5,185)	(5,548)	1,646	819	2,465
Purchase and sales of treasury shares	–	–	(0)	–	(0)
Dividends paid	–	–	(622)	(957)	(1,579)
Transfer from other components of equity to retained earnings	–	360	–	–	–
Total transactions with owners	–	360	(623)	(957)	(1,579)
Balance as of March 31, 2016	1,979	1,991	69,689	10,527	80,217

(Millions of yen)

	Equity attributable to owners of parent					
	Issued capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of net defined benefit liability (asset)	Net change in financial assets at fair value through other comprehensive income
Balance as of April 1, 2016	1,754	566	65,380	(2)	–	12
Profit for the period	–	–	5,455	–	–	–
Other comprehensive income	–	–	–	–	915	3
Comprehensive income for the period	–	–	5,455	–	915	3
Purchase and sales of treasury shares	–	–	–	(0)	–	–
Dividends paid	–	–	(859)	–	–	–
Changes in ownership interests in subsidiaries	–	(80)	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	915	–	(915)	–
Total transactions with owners	–	(80)	56	(0)	(915)	–
Balance as of March 31, 2017	1,754	486	70,891	(2)	–	15

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		Total equity attributable to owners of parent		
	Exchange differences on translation of foreign operations	Total other components of equity			
Balance as of April 1, 2016	1,979	1,991	69,689	10,527	80,217
Profit for the period	–	–	5,455	1,740	7,195
Other comprehensive income	(1,271)	(353)	(353)	103	(249)
Comprehensive income for the period	(1,271)	(353)	5,102	1,844	6,945
Purchase and sales of treasury shares	–	–	(0)	–	(0)
Dividends paid	–	–	(859)	(1,498)	(2,358)
Changes in ownership interests in subsidiaries	(1)	(1)	(81)	105	24
Transfer from other components of equity to retained earnings	–	(915)	–	–	–
Total transactions with owners	(1)	(916)	(940)	(1,393)	(2,334)
Balance as of March 31, 2017	707	721	73,850	10,978	84,828

(4) Consolidated Statement of Cash Flows

	(Millions of yen)	
	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Cash flows from (used in) operating activities		
Profit before tax	13,451	11,336
Depreciation and amortization	8,299	8,614
Increase (decrease) in net defined benefit liability	457	151
Interest and dividends received	(226)	(320)
Interest paid	359	268
Loss (profit) from sale of non-current assets	(15)	(51)
Loss on retirement of non-current assets	28	92
Impairment loss	479	–
Extra retirement benefits	173	16
Decrease (increase) in trade and other receivables	(2,912)	(2,388)
Decrease (increase) in inventories	2,258	(1,091)
Increase (decrease) in trade and other payables	4,303	3,067
Other inflows (outflows) of cash	(147)	838
Subtotal	26,506	20,533
Interest received	223	314
Dividends received	1	1
Interest paid	(339)	(278)
Extra retirement benefits paid	(254)	(110)
Income taxes refund (paid)	(4,649)	(3,651)
Net cash flows from (used in) operating activities	21,488	16,809
Cash flows from (used in) investing activities		
Net decrease (increase) in term deposits	(25)	31
Purchase of property, plant and equipment	(13,503)	(11,033)
Proceeds from sales of property, plant and equipment	715	415
Purchase of intangible assets	(546)	(321)
Proceeds from redemption of investment securities	–	30
Payments for loans receivable	(14)	(41)
Proceeds from collection of loans receivable	–	35
Net cash flows from (used in) investing activities	(13,374)	(10,884)
Cash flows from (used in) financing activities		
Net increase (decrease) in current borrowings	659	3,338
Repayments of finance lease obligations	(52)	(238)
Proceeds from non-current borrowings	1,322	864
Repayments of non-current borrowings	(3,250)	(3,081)
Capital contribution from non-controlling interests	–	24
Purchase of treasury shares	(0)	(0)
Dividends paid	(622)	(859)
Dividends paid to non-controlling interests	(1,035)	(872)
Net cash flows from (used in) financing activities	(2,978)	(824)
Effect of exchange rate changes on cash and cash equivalents	(1,386)	(594)
Net increase (decrease) in cash and cash equivalents	3,750	4,507
Cash and cash equivalents at beginning of period	17,591	21,342
Cash and cash equivalents at end of period	21,342	25,849